



**CITY OF LODI
COUNCIL COMMUNICATION**

AGENDA TITLE: Adopt Resolution Rejecting Bids for the Inspection, Adjustment and Maintenance Tests of Two Transformers at Henning Substation (EUD)

MEETING DATE: December 16, 2009

PREPARED BY: Interim Electric Utility Director

RECOMMENDED ACTION: Adopt a resolution rejecting bids for the inspection, adjustment and maintenance tests of two transformers at Henning Substation.

BACKGROUND INFORMATION: On June 3, 2009, the City Council approved a request for bids for the inspection, adjustment, and maintenance tests of two transformers and associated tap changers at Henning Substation.

On July 29, 2009, one bid was received and opened. The proposal was submitted by Waukesha Electric Systems, Inc. (Waukesha) of Waukesha, Wisconsin with the following price schedule for the scope of work as defined in the bid document:

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|--|-------------------------------|
| 1. Transformer and Tap Changer Maintenance | \$1 3,540.00 per unit |
| 2. LTC Parts and Repair Kits | \$10,000 to \$25,000 per unit |
| 3. New Oil Replacement | \$8.50 per gallon |

Based on this Waukesha pricing, the projected maintenance cost of two transformers at Henning Substation will be approximately \$48,000 to \$60,000.

Staff estimated the total project cost to be \$40,000. The projected total price of Waukesha will exceed this estimate by approximately \$8,000 to \$20,000. Staff could not determine if the received bid is reasonable without any comparative bid from other qualified vendors.

Therefore, it is recommended that the bid be rejected.


Kenneth A. Weisel
Interim Electric Utility Director

Prepared by: Demy Bucaneg, Jr. – PE, Assistant Electric Utility Director
KAW/DB/lst

APPROVED: 
Blair King, City Manager

RESOLUTION NO. 2009-170

A RESOLUTION OF THE LODI CITY COUNCIL
REJECTING BIDS FOR THE INSPECTION, ADJUSTMENT, AND
MAINTENANCE TESTS OF TWO POWER TRANSFORMERS
AT HENNING SUBSTATION

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WHEREAS, in response to notice duly published in accordance with law and the order of this City Council, one sealed bid was received and publicly opened on July 29, 2009, at 11:00 a.m. for the inspection, adjustment, and maintenance tests of two power transformers at Henning Substation; and

WHEREAS, said bid has been received from Waukesha Electric Systems, Inc. (Waukesha), of Waukesha, Wisconsin, with price schedule for the defined scope of work in the bid document as follows: (1) Transformer and Tap Changer Maintenance - \$13,540 per unit, (2) LTC Parts and Repair Kits - \$10,000 to \$25,000 per unit, and (3) New Oil Replacement - \$8.50 per gallon; and

WHEREAS, the projected maintenance cost of two transformers based on Waukesha's price schedule is approximately \$48,000 to \$60,000; and

WHEREAS, the estimated cost was \$40,000, and Waukesha's proposal will exceed this amount by approximately \$8,000 to \$20,000; and

WHEREAS, staff could not determine the reasonability and acceptability of Waukesha's price in the absence of comparative proposal from other qualified vendors.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby reject the bid from Waukesha Electric Systems, Inc., of Waukesha, Wisconsin.

Dated: December 16, 2009

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I hereby certify that Resolution No. 2009-170 was passed and adopted by the City Council of the City of Lodi in a regular meeting held December 16, 2009, by the following vote:

AYES: COUNCIL MEMBERS – Hansen, Hitchcock, Johnson, Mounce,
and Mayor Katzakian

NOES: COUNCIL MEMBERS – None

ABSENT: COUNCIL MEMBERS – None

ABSTAIN: COUNCIL MEMBERS – None


RANDI JOHL
City Clerk